STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Iowa

LIENS AND ADJUSTMENTS OR RECOVERIES

1. The State uses the following process for determining that an institutionalized individual cannot reasonably be expected to be discharged from the medical institution and return home:

The Department presumes that a Medicaid recipient who is under 55 years of age and a resident of a nursing facility, intermediate care facility for the mentally retarded, or a mental health institute cannot reasonably be expected to be discharged and return home.

If the recipient is discharged from the facility and returns home before six consecutive months, no debt will be assessed for Medicaid payments made on the recipient's behalf for the time of the institutionalization.

If the recipient requests that the Department determine whether the recipient can reasonably be expected to return home, the Iowa Foundation for Medical Care (IFMC) makes the determination. The Department forwards a request for an IFMC determination of whether the person can reasonably be expected to be discharged and return home only after the person has resided in the care facility for a period of six consecutive months.

If IFMC determines that the recipient could not be reasonably expected to be discharged and return home, IFMC provides information to the Department regarding whether the recipient was ever reasonably expected to be able to return home within the first six months of institutionalization and the date the expectation and ability to return home ceased.

IFMC notifies the recipient of the decision. Appeals of adverse decisions made by IFMC go first to IFMC for reconsideration. An appeal of an adverse reconsideration decision by IFMC is directed to the Department for the regular Departmental appeal process.

If the IFMC determination is overturned, no debt is due from the date of admission or the effective date of a determination that the patient could not be reasonably expected to return home. If IFMC is upheld, a debt is due from the recipient's estate as of the date the recipient could not reasonably be expected to be discharged and return home.

If the recipient fails to make the request within the 30 calendar days, the recipient may make a request at a later date. However, if the determination is then made that the recipient is reasonably able to return home, assistance received before the date of the request is still subject to estate recovery.

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If a recipient dies before six consecutive months of institutionalization, the family or other interested party may submit a written request to rebut the presumption that the recipient could reasonably have expected to be discharged and return home.

If IFMC determines that the recipient could not reasonably have expected to be discharged and return home, the family may appeal the adverse decision first to IFMC for reconsideration. An adverse reconsideration decision by IFMC may then be appealed as described above.

2. The following criteria are used for establishing that a permanently institutionalized individual's son or daughter provided care as specified under regulations at 42 CFR 433.36(f):

   Not Applicable. The State of Iowa does not impose liens.

3. The State defines the terms below as follows:

   - estate:

     The "estate" of a Medicaid recipient includes all real property, personal property, or any other asset in which the recipient had any legal title or interest at the time of death (to the extent of such interest). This includes assets conveyed to a survivor, heir, or assign of the deceased through joint tenancy, tenancy in common, survivorship, life estate, living trust, or other arrangement.

   - individual's home:

     Included in the definition of estate.

   - equity interest in the home:

     Included in the definition of estate.

   - residing in the home for at least one or two years on a continuous basis:

     Defined as stated in 42 USC 1396p.

   - lawfully residing:

     Defined as stated in 42 CFR 435.403.

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4. The State defines undue hardship as follows:

   Undue hardship exists when total household income is less than 200 percent of the poverty level for a household of the same size, total household resources do not exceed $10,000, and application of estate recovery would result in deprivation of food, clothing, shelter, or medical care such that life or health would be endangered as determined by the Department on a case-by-case basis. For this purpose, income and resources are defined as under the Family Investment (AFDC) Program.

5. The following standards and procedures are used by the State for waiving estate recoveries when recovery would cause an undue hardship, and when recovery is not cost-effective:

   See item 4. To apply for a waiver of estate recovery due to undue hardship, the person shall provide a written statement and supporting verification to the Department within 30 days of the notice of estate recovery. Appeals of adverse decisions regarding an undue hardship determination may be filed in accordance with regular Departmental appeals procedures.

   If a collection is waived due to undue hardship, collection is delayed until the hardship no longer exists or death of the person who was granted the hardship.

6. The State defines cost-effective as follows (include methodology/thresholds used to determine cost-effectiveness):

   Currently, the Department completes estate recovery on all estates. No thresholds for cost-effectiveness have been set.

7. The State uses the following collection procedures (include specific elements contained in the advance notice requirement, the method for applying for a waiver, hearing and appeals procedures, and time frames involved):

   Department local office staff explain the policy of estate recovery to each Medicaid applicant who is under 55 and in an institution, or is 55 or older. The Department gives each applicant a booklet that further explains policies, appeal rights, and client rights and responsibilities.

   The Department has contracted with Health Management Systems, Inc. (HMS) to administer the estate recovery program. HMS receives computer tapes from vital statistics, Department workers in the field, funeral home directors, relatives, and attorneys as to the death of a Medicaid recipient.

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A gross adjustment procedure is used against the total amount owed on the claim. The money recovered is shown as an adjustment on all state and Federal reports. Documentation is shown for the total dollar amount owed for each category of service. HMS provides documentation in cassette form for all estate recoveries made.